



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645

(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Bayshore Medical Center

Respondent Name

Hartford Insurance Company of Midwest

MFDR Tracking Number

M4-17-2883-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

May 30, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "...the Hospital contends an additional \$3,298.22 remains owed."

Amount in Dispute: \$3,298.22

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Our investigation found the following: •Services in dispute paid in accordance with rule 133.403 •Additional reimbursement is not recommended."

Response Submitted by: The Hartford

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
July 18 – 20, 2016	Outpatient hospital services	\$3,298.22	\$933.14

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403 sets out the reimbursement guidelines for services provided in an outpatient setting.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated
 - P12 – Workers' compensation jurisdictional fee schedule adjustment

Issues

1. What is the applicable rule that pertains to reimbursement?
2. How is the maximum allowable reimbursement calculated?
3. Is the requestor entitled to additional reimbursement?

Findings

1. The requester seeks additional reimbursement in the amount of \$3,298.22 for outpatient hospital services rendered between July 18 and 20, 2016.

The requestor states, "...an additional \$3,298.22 remains owed."

The respondent states, "...Additional reimbursement is not recommended."

The insurance carrier reduced the disputed services with reduction codes, 97 – "The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated."

These outpatient hospital services are subject to the requirements of 28 Texas Administrative Code 134.403 (d) which states in pertinent part,

For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided...

The applicable Medicare payment policy is found at www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS.

The resources that define the components used to calculate the Medicare payment for OPPS are found below:

- **How Payment Rates Are Set**, found at www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/HospitalOutpaysysfctsh.pdf,
 - *To account for geographic differences in input prices, the labor portion of the national unadjusted payment rate (60 percent) is further adjusted by the hospital wage index for the area where payment is being made. The remaining 40 percent is not adjusted.*
- **Payment status indicator** - The status indicator identifies whether the service described by the HCPCS code is paid under the OPPS and if so, whether payment is made separately or packaged. The status indicator may also provide additional information about how the code is paid under the OPPS or under another payment system or fee schedule. The relevant status indicator may be found at the following: www.cms.gov, Hospital Outpatient Prospective Payment – Final Rule, OPPS Addenda, Addendum, D1.
- **APC payment groups** - Each HCPCS code for which separate payment is made under the OPPS is assigned to an ambulatory payment classification (APC) group. The payment rate and coinsurance amount calculated for an APC apply to all of the services assigned to the APC. A hospital may receive a number of APC payments for the services furnished to a patient on a single day; however, multiple surgical procedures furnished on the same day are subject to discounting. The relevant payment amount for each APC may be found at: www.cms.gov, Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Annual-Policy-Files, Addendum B. These files are updated quarterly.
- **Multiple procedure discounts** - Multiple surgical procedures furnished during the same operative session are discounted. The full amount is paid for the surgical procedure with the highest weight; Fifty percent is paid for any other surgical procedure(s) performed at the same time;

- **Composite** - Composite APCs provide a single payment for a comprehensive diagnostic and/or treatment service that is defined, for purposes of the APC, as a service typically reported with multiple HCPCS codes. When HCPCS codes that meet the criteria for payment of the composite APC are billed on the same date of service, CMS makes a single payment for all of the codes as a whole, rather than paying individually for each code.

The services in dispute will be reviewed per applicable rules and fee guidelines.

2. 28 Texas Administrative Code §134.403 (f) states in pertinent part,

The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register. The following minimal modifications shall be applied.

(1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:

(A) 200 percent;

The reimbursement calculations is as follows:

Procedure Code	APC	Status Indicator	Payment Rate	60% labor related	2016 Wage Index Adjustment for provider 0.9615	40% non-labor related	Payment	Maximum allowable reimbursement
71010	5521	Q3	\$60.80	\$60.80 X 60% = \$36.48	\$36.48 X 0.9615 = \$35.08	\$60.80 X 40% = \$24.32	\$35.08 + \$24.32 = \$59.40	\$59.40 X 200% = \$118.80
99285	5025	V/J2 comprehensive criteria not met	\$486.04	\$486.04 X 60% = \$291.62	\$291.62 X 0.9615 = \$280.39	\$486.04 X 40% = \$194.42	\$280.39 + \$194.42 = \$474.81	\$474.81 X 200% = \$949.62
93306	5533	S	\$416.80	\$416.80 X 60% = \$250.08	\$250.08 X 0.9615 = \$240.45	\$416.80 X 40% = \$166.72	\$240.45 + \$166.72 = \$407.17	\$407.17 X 200% = \$814.34

The remaining services are classified as follows:

- Procedure code J2270 has status indicator N reimbursement is included in the payment for the primary services.
- Procedure code J7030 has status indicator N reimbursement is included in the payment for the primary services.
- Procedure code 80053 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
- Procedure code 82550 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
- Procedure code 82553 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
- Procedure code 83690 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.

- Procedure code 83880 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 84484 has status indicator Q4, denoting packaged labs; reimbursement is included in APC payment for primary services.
 - Procedure code 80048 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 80061 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 82550 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 83036 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 84484 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 85027 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 85027 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 85379 has status indicator Q4, denoting packaged labs reimbursement is included in APC payment for primary services.
 - Procedure code 72072 has status indicator Q1, denoting STV-packaged codes; reimbursement for these services is packaged with the payment for any procedures with status indicator S, T or V.
 - Procedure code 93005 has status indicator Q1, denoting STV-packaged codes; reimbursement for these services is packaged with the payment for any procedures with status indicator S, T or V.
 - Procedure code 36000 has status indicator N, denoting packaged codes integral to the total service package with no separate payment.
 - Procedure code G0378 has status indicator N, denoting packaged codes integral to the total service package with no separate payment.
3. The total recommended reimbursement for the disputed services is \$1,882.76. The insurance carrier has paid \$949.62 leaving an amount due to the requestor of \$933.14. This amount is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$933.14.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the division has determined the requestor is entitled to additional reimbursement for the disputed services. The division hereby ORDERS the respondent to remit to the requestor \$933.14, plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this order

Authorized Signature

_____ Signature	_____ Medical Fee Dispute Resolution Officer	_____ June 23, 2017 Date
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YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.